

Message Text

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ACTION EB-07

INFO OCT-01 IO-13 ISO-00 SS-15 NSC-05 L-03 FRB-03 OMB-01

ITC-01 SP-02 USIA-06 AGRE-00 AID-05 CIAE-00 COME-00

INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00

CIEP-01 CEA-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 INT-05

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FM USMISSION GENEVA

TO SECSTATE WASHDC 2943

INFO OECD CAPITALS 0079

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LIMITED OFFICIAL USE SECTION 1 OF 2 GENEVA 8120

E.O. 11652: NA

TAGS: UNCTAD, EGEN

SUBJECT: UNCTAD TDB: HIGHLIGHTS OF SECOND WEEK

REF: GENEVA 7934

1. BEGIN SUMMARY: HIGHLIGHTS OF SECOND WEEK WERE (1) GROUP B REACHED AGREEMENT AND TABLED PROPOSED TERMS OF REFERENCE FOR AD HOC COORDINATING COMMITTEE, (2) LDCS PRESSED FOR DC ACTION AT THIS MEETING ON DEBT RELIEF FOR LEAST DEVELOPED COUNTRIES IN LINE WITH "SOLEMN COMMITMENT AT MINISTERIAL LEVEL" IN NAIROBI RESOLUTION 98(IV) WHILE GROUP B ARGUED THAT UNCTAD WAS NOT THE PLACE FOR SUBSTANTIVE DISCUSSION OF DEBT AT THIS TIME, (3) GROUP B DELIVERED STRONG STATEMENT ON UNCTAD'S FINANCING OF G-77 MEETINGS AND (4) HANDLING OF THREE MANUFACTURES' ISSUES CAUSED UNEXPECTED AND CONTINUING DIFFICULTIES. END SUMMARY.

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2. STATUS AS OF OCTOBER 15 IS AS FOLLOWS:

COMMODITIES: GROUP B WOULD UP THE WEEK'S ACTIVITY ON COMMONITIES IN A GOOD STRATEGIC POSITION. THE GROUP B PAPER (SEE GENEVA 8018) WAS TABLED ON FRIDAY MORNING AS A TDB DRAFT RESOLUTION. GROUP OF 77 SPOKESMAN (CHADHA) AGAIN STRONGLY ATTACKED MAJOR ASPECTS OF GROUP B DRAFT. THE GROUP OF 77 UNOFFICIALLY CIRCULATED A "PRELINARY DRAFT" PIECE OF PAPER, WHICH DIFFERED FROM THE GROUP B PAPER IN GIVING MORE AUTONOMY TO THE AD HOC COMMITTEE (IGCC), PROVIDING NO MECHANISM TO REFER DISPUTES TO THE TDB, EMPHASIZING THE SECRETARY GENERAL'S ROLE IN PROVIDING THE IGCC WITH CALENDAR AND AGENDA, AND MAKING NO MENTION OF EXISTING COMMODITY FORUMS. EXACT STATUS OF G-77 TEXT UNCLEAR, AS WE ARE TOLD LDC REGIONAL GROUP S HAVE NOT YET REVIEWED TEXT. AN INFORMAL DRAFTING GROUP OF GROUP B INCLUDING US AND GROUP OF 77 REPS MET FRIDAY AFTERNOON FOR BRIEF RUNDOWN OF TWO TEXTS. GROUP B INSISTED OUR PAPER WAS THE ONLY OFFICIAL DOCUMENT UNDER CONSIDERATION, BUT AGREED TO DISCUSS IDEAS CONTAINED IN G-77 DRAFT. WE TOLD GROUP OF 77 WE WERE READY AT THIS STAGE TO SEE IF OUR DRAFT COULD BE CLARIFIED TO MEET G-77 CONCERNS WHERE THE PROBLEM WAS BASICALLY STYLISTIC, BUT WE MADE NO SUBSTANTIVE CONCESSIONS. THE DRAFTING GROUP WILL MEET AGAIN ON MONDAY, WHEN ACTUAL DISCUSSION OF TEXTS WILL PROBABLY TAKE PLACE.

3. FINANCING ISSUES (A) DEBT. GENEVA 8080 CONTAINS COMPLETE U-TO-DATE REPORT.
(B) FINANCING RESOLUTIONS: AT OCTOBER 14 CONTACT GROUP, G-77 REQUESTED "ARSENIS" TEXT ON TRANSFER OF RESOURCES (SEE GENEVA 8022) BE DISTRIBUTED TO TDB DELS WITH BOTH G-77 AND SECRETARIAT URGING IT BE BASIS OF DISCUSSIONS AIMED AT REACHING AGREED TDB RESOLUTION. WHILE CAUTIONING THAT SOME GROUP B COUNTRIES HAVE MAJOR PROBLEMS WITH ARSENIS TEXT, GROUP B SPOKESMAN AGREED ARSENIS TEXT COULD BE DISCUSSED ALONG WITH FROUP B AND GROUP 77 PAPERS REFERRED TO TDB FROM NAIROBI. BASED ON RESULTS OF INITIAL JOINT WORKING GROUP ON OCTOBER 15, IT APPEARS G-77 IS AIMING TO HAVE A TEXT ALONG LINES ARSENIS TEXT PUT TO VOTE. WHILE ACKNOWLEDGING LIMITED OFFICIAL USE

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DELEMMA OF PARALLEL DISCUSSIONS SAME SUBJECT MATTER AT CIEC, THOSE GROUP B DELEGATIONS HOPING FOR AGREED RESOLUTION STILL BELIEVE IT NECESSARY IN CONTEXT OVERALL NORTH/SOUTH DIALOGUE.

4. INSTITUTIONAL MATTERS: SEE SEPTELS FOR REPORTS ON GROUP B STATEMENTS ON (1) BUDGET REQUESTS OF UNCTAD SECRETARIAT, AND (2) UNCTAD INVOLVEMENT IN

ACTIVITIES NOT OPEN TO ALL MEMBERS.

5. SESSIONAL COMMITTEE 2: EAST/SOUTH TRADE: AFTER STALLING FOR MORE THAN WEEK GROUP D HAS FINALLY HAD TO COME TO GRIPS WITH THE PROBLEM OF DRAFTING TERMS OF REFERENCE FOR THE TWO INTERGOVERNMENTAL EXPERT GROUP WHICH ARE TO BE COVVENED IN 1977. GROUP D DRAFT PROPOSALS (TRANSMITTED SEPTELS) WHICH AMOUNT IN THE VIEW OF BOTH G-77 AND GROUP B ESSENTIALLY TO A MANDATE TO EXPERTS TO DO NOTHING HAVE ELICITED G-77 COUNTERDRAFTS (ALSO TRANSMITTED SEPTELS). BOTH SETS OF PROPOSALS ARE CURRENTLY BEING NEGOTIATED INFORMALLY IN DRAFTING GROUP AND CORRIDOR. GROUP D HAS MADE ONLY PERFUNCTORY ATTEMPT TO DRAG EAST-WEST TRADE ISSUES INTO DISCUSSIONS.

6. TRANSFER OF TECHNOLOGY: IN PLENARY SESSION, OCTOBER 13, PATEL, DIRECTOR OF UNCTAD'S TRANSFER OF TECHNOLOGY DIVISION, RESPONDED TO QUESTIONS RAISED IN GROUP B STATEMENT ON SECTORAL STUDIES, TRANSMITTED IN GENEVA 7878. PATEL'S STATEMENT WAS RAMBLING AND BAGUE AND DID NOT SATISFY US AND BELGIAN DELEGATES WHO QUESTIONED HIM FURTHER. IN RESPONSE TO THESE QUESTIONS, PATEL SAID THAT THE SECRETARIAT IS NOT YET INVOLVED IN A PROJECT TO ESTABLISH CENTERS IN LDCE FOR TRANSFERRING AND DEVELOPING PHARMA-CEUTICAL TECHNOLOGY, BUT IS PREPARED TO DO SO IF REQUESTED BY THE QUOTE UN ACTION PROGRAM FOR ECONOMIC COOPERATION (UNAPEC) UNQUOTE. HE SAID THAT UNAPEC IS DIRECTING THE PHARMACEUTICAL PROJECT, WHICH IS THE DIRECT RESULT OF PROPOSALS MADE AT THE NON-ALIGNED CONFERENCE IN COLOMBO AND THE RECENT G-77 MEETING IN MEXICO CITY. AFTER MAKING DISCRETE INQUIRIES LIMITED OFFICIAL USE

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IN UNCTAD SECRETARIAT, BELGIAN DELEGATE DISCOVERED THAT UNAPEC IS NOT A UN BODY, BUT WAS ESTABLISHED AFTER THE ALGIERS CONFERENCE IN 1973 TO SUPPORT PROJECTS PROPOSED BY THE NON-ALIGNED GROUP WITH VOLUNTARY CONTRIBUTIONS.

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INFORMATION THAT PATEL WAS PREPARED
TO TAKE DIRECTIVES FROM THE NON-ALIGNED GROUP AND
THE G-77 WITHOUT CONSULTING UNCTAD MEMBERSHIP AROUSED
CONCERN IN GROUP B, WHICH DELIVERED STATEMENT IN
PLEANRY, OCTOBER 15, EXPRESSING RESERVATIONS ABOUT
WORK BEING UNDERTAKEN BY THE SECRETARIAT WITHOUT
APPROVAL OF THE GENERAL MEMBERSHIP OF UNCTAD. PATEL
REPLIED THAT HE FELT HE HAD AUTHORITY TO ASSIST IN
ESTABLISHING PHARMACEUTICAL CENTERS ON BASIS OF
RELEVANT PROVISIONS OF UNGA RESOLUTION 3507, UNCTAD
RESOLUTION 87(IV) AND THE RESULTS OF THE FIRST SESSION
OF THE UNCTAD COMMITTEE FOR TRANSFER OF TECHNOLOGY.
AGENDA ITEM WAS LEFT OPEN FOR POSSIBLE GROUP B REPLY
TO PATEL NEXT WEEK.

7. MANUFACTURES RESOLUTION: IN GROUP B MEETING
OCTOBER 14 AND 15, USDEL CONTINUED TO ADVOCATE THAT
IF G-77 WILL NOT WITHDRAW (AS NOW APPEARS CERTAIN)
RESOLUTIONS ON EXPORT SUBSIDIES AND COUNTERVAILING
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DUTIES AND ON SAFEGUARDS AND STANDSTILL, THE BEST COURSE
OF ACTION WOULD BE TO REMIT RESOLUTIONS TO 7TH SESSION
OF COMMITTEE ON MANUFACTURES. GROUP B AGREED TO FOLLOW
THIS AS FIRST COURSE OF ACTION, WITH FALLBACK, IF

NECESSARY, TO DECISION OR RESOLUTION OF TDB WHICH WOULD INCLUDE FIRST FIVE PREAMBULAR PARAGRAPHS OF LDC DRAFT RESOLUTION (GROUP B HAS DROPPED LDC PREAMBULAR PARAGRAPHS 6 AND 7) AND INCLUDE TWO PARAGRAPH OPERATIVE SECTION OF WHICH FIRST PARAGRAPH WOULD BE EITHER OF: QUOTE RECOMMEND THAT THE COUNTRIES PARTICIPATING IN THE MULTILATERAL TRADE NEGOTIATIONS TAKE NOTE OF THE FOLLOWING VIEWS OF THE DEVELOPING COUNTRIES, AS EXPRESSED IN THE ANNEX, ON THE ISSUES OF EXPORT SUBSIDIES, COUNTERVAILING DUTIES AND SAFEGUARDS AND STANDSTILL WHICH DEVELOPING COUNTRIES CONSIDER OF VITAL IMPORTANCE TO THEM UNQUOTE OR ALTERNATIVE PARAGRAPH QUOTE REQUEST THE SECRETARY GENERAL OF UNCTAD TO TRANSMIT TO THE DIRECTOR GENERAL OF GATT FOR USE BY GATT BODIES AS APPROPRIATE THE FOLLOWING VIEWS OF DEVELOPING COUNTRIES AS EXPRESSED IN THE ANNEX, ON THE SUBJECTS OF EXPORT SUBSIDIES AND COUNTERVAILING DUTIES AND SAFEGUARDS AND STANDSTILL UNQUOTE. SECOND PARAGRAPH WOULD BE AS FOLLOWS: QUOTE FURTHER REQUESTS THE SECRETARY GENERAL OF UNCTAD TO KEEP THE QUESTIONS OF EXPORT SUBSIDIES AND COUNTERVAILING DUTIES AND SAFEGUARDS AND STANDSTILL UNDER REVIEW UNQUOTE. US DEL INDICATED IT WOULD NOT BE ABLE TO ACCEPT SECOND ALTERNATIVE OF PARAGRAPH ONE.

8. IN CONTACT GROUP MEETING OCTOBER 15, LDCS INDICATED THEY HAD PROBLEMS WITH UNCTAD SECRETARIAT DRAFT RESOLUTION CONTAINED GENEVA 8015 AND ASKED THAT DISCUSSION BE POSTPONED UNTIL OCTOBER 18 OR 19. (WE UNDERSTAND AFRICAN DELEGATES DESIRE DETAILED NEGOTIATIONS ON THESE DRAFTS.)

9. FOLLOWING CONTACT GROUP MEETING, US DEL GAVE GROUP B DRAFT ABBREVIATED RESOLUTIONS CONTAINED STATE 255216. INITIAL GROUP B REACTION WAS FEAR THAT TABLING RESOLUTION WOULD LEAD TO DETAILED AND PROLONGED NEGOTIATIONS WITH LDCS AND PREFERENCE FOR ALTERNATIVE LIMITED OFFICIAL USE

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RESOLUTION MENTIONED ABOVE. USDEL APPREIATIVE FOR DRAFT RESOLUTION PREPARED BY WASHINGTON AGENCIES, WHICH ADDS TO NEGOTIATING POSSIBILITIES AND DEMONSTRATED TO GROUP B US GOOD FAITH IN NEGOTIATING FOLLOWING HARDLINE POSITION US DLEL HAS TAKEN TO DATE.

10. ADJUSTMENT ASSISTANCE (GENEVA 8065):
NEARLY ALL OF OCTOBER 15 CONTACT GROUP MEETING WAS DEVOTED TO DISCUSSION OF DRAFT RESOLUTION ON ADJUSTMENT ASSISTANCE. GROUP B SPOKESMAN AGAIN CALLED FOR WITHDRAWAL OF RESOLUTION IN LIGHT OF

RESOLUTION 96(IV), AND WHEN LDCS REFUSED, NOTED ONLY
ALTERNATIVE WOULD BE REMIT TO 7TH SESSION COMMITTEE
ON MANUFACTURES. LDCS CALLED FOR DETAILED GROUP B
COMMENTS AND NEGOTIATIONS ON THEIR RESOLUTION, AND WHEN
COUNTERPROPOSAL NOT FORTHCOMING, ASKED FOR ADJOURNMENT
UNTIL OCTOBER 18 OR 19.

11. MISCELLANEOUS: FOLLOWING AGENDA ITEMS HAVE BEEN
ROUTINELY DISPENSED WITH IN PLENARY: 1 (A) ELECTION OF
OFFICERS; 1(B) ADOPTION OF AGENDA; 3(B) SHIPPING;
3(C) MULTIMODAL TRANSPORT; 7(A) TREATMENT OF NEW
STATES MEMBERS FOR PURPOSES OF ELECTIONS; 7(B) DE-
SIGNATION OF MEMBERS OF TDB; 8 UNCTAD PROGRAM BUDGET
(US WAS DESIGNATED MEMBER OF WORKING PARTY WHICH WILL
MEET IN APRIL/MAY 1977.)CATTO

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